

1 LOCAL OPTION SALES TAX FOR
2 CONSERVATION EASEMENTS FOR
3 AGRICULTURAL ^h OR WATER SOURCE PROTECTION ^h USE

4 1998 GENERAL SESSION

5 STATE OF UTAH

6 Sponsor: Evan L. Olsen

7 AN ACT RELATING TO THE SALES AND USE TAX ACT; AUTHORIZING A COUNTY TO
8 IMPOSE A SALES AND USE TAX FOR THE ACQUISITION OF CONSERVATION
9 EASEMENTS ONLY FOR AGRICULTURAL ^h OR WATER SOURCE PROTECTION ^h USE;
9a ESTABLISHING CONDITIONS FOR
10 THE IMPOSITION, USE, AND REPEAL OF THE TAX; PROVIDING PROCEDURES FOR
11 ADMINISTERING THE TAX; AND PROVIDING AN EFFECTIVE DATE.

12 This act affects sections of Utah Code Annotated 1953 as follows:

13 ENACTS:

14 59-12-1301, Utah Code Annotated 1953

14a ^h 59-12-1302, Utah Code Annotated 1953 ^h

15 *Be it enacted by the Legislature of the state of Utah:*

16 Section 1. Section 59-12-1301 is enacted to read:

17 **Part 13. County Option Sales and Use Tax for Acquisition of Conservation Easements**

17a ^h 59-12-1301. Definitions.

17b **AS USED IN THIS PART:**

17c **(1) "AQUIFER RECHARGE ZONE" MEANS OPEN LAND INTO WHICH WATER CAN EASILY**
17d **INFILTRATE INTO AN AQUIFER;**

17e **(2) "PROCESSING PERIOD" MEANS A TIME PERIOD:**

17f **(a) BEGINNING ON THE DAY ON WHICH A COUNTY NOTIFIES THE COMMISSION OF ITS**
17g **INTENT TO REPEAL A TAX UNDER THIS PART; ^h**

17h h (b) ENDING 30 CALENDAR DAYS AFTER THE DAY ON WHICH A COUNTY NOTIFIES THE
 17i COMMISSION OF ITS INTENT TO REPEAL A TAX UNDER THIS PART; AND
 17j (c) DURING WHICH THE COMMISSION PERFORMS PROCEDURES IN PREPARATION FOR A
 17k TAX UNDER THIS PART TO BE REPEALED; AND
 17l (3) "WATER SOURCE PROTECTION" MEANS THE PRESERVATION OR MAINTENANCE OF
 17m OPEN LAND THAT IS LOCATED WITHIN AN AQUIFER RECHARGE ZONE OR WATERSHED FOR THE
 17n PURPOSES OF PRESERVING OR ENHANCING THE QUANTITY OR QUALITY OF WATER IN A STREAM,
 17o LAKE, AQUIFER, OR OTHER WATER SOURCE.

17p Section 2. Section 59-12-1302 is enacted to read: h
 18 h [59-12-1301] 59-12-1302 h . Base -- Rate -- Imposition requirements -- Limit on use --

18a **Administration**
 19 **-- Repeal.**

20 (1) Subject to the provisions of Subsections (2) through (7), and in addition to any other
 21 tax authorized under this chapter, a county may impose a sales and use tax of up to 1/8% upon the
 22 sales and uses described in Subsection 59-12-103(1), subject to the exemptions provided for in
 23 Section 59-12-104, to acquire conservation easements as provided in Title 57, Chapter 18, Land
 24 Conservation Easement Act, only for agricultural h OR WATER SOURCE PROTECTION h use.

25 (2) (a) A sales and use tax under Subsection (1) shall be imposed:
 26 (i) upon sales and uses made in the county, including sales and uses made within
 27 municipalities in the county; and

1 (ii) beginning on the first day of January, April, July, or October.

2 (b) A county imposing a sales and use tax under this section shall:

3 (i) establish a special revenue fund known as the "Acquisition of Agricultural ~~h~~ OR WATER

3a **SOURCE PROTECTION h**

4 Conservation Easements Fund";

5 (ii) deposit all of the revenues generated by a tax under this section into the fund;

6 (iii) invest the revenues in the fund as provided in Title 17, Chapter 36, Uniform Fiscal

7 Procedures Act for Counties; and

8 (iv) budget appropriations for acquiring conservation easements for agricultural ~~h~~ OR WATER

8a **SOURCE PROTECTION h use from**

9 the fund.

10 (3) Before imposing a sales and use tax under this section, a county shall:

11 (a) obtain a majority vote of all members of the county legislative body;

12 (b) obtain voter approval during a regular general election;

13 (c) adopt by ordinance:

14 (i) a limit on the total amount of sales and use tax revenues that the county may collect

15 under this section; and

16 (ii) a limit on the amount per acre the county may expend to acquire conservation

17 easements for agricultural ~~h~~ OR WATER **SOURCE PROTECTION h use with the sales and use tax**

17a revenues collected under this section; and

18 (d) notify the commission at least 30 days prior to the imposition of the ordinance

19 imposing the tax.

20 (4) Except as provided in Subsection ~~h [(5)] (6) h~~, a sales and use tax under this section shall

20a be

21 imposed and administered in the same manner as a tax imposed under Part 2, The Local Sales and

22 Use Tax Act, except that a sales and use tax imposed under this section is not subject to:

23 (a) the distribution provisions of Subsections 59-12-205(2) and 59-12-205(3); and

24 (b) the provisions of Subsection 59-12-205(4).

24a **h (5) IF A COUNTY COLLECTS AN AMOUNT OF REVENUE EQUAL TO THE REVENUE LIMIT**

24b **PRESCRIBED UNDER SUBSECTION (3)(c)(i), THE COUNTY SHALL: h**

24c h (a) NOTIFY THE COMMISSION OF ITS INTENT TO REPEAL THE TAX AT LEAST 30
24d CALENDAR DAYS BEFORE THE DAY ON WHICH THE COUNTY REPEALS THE TAX; AND
24e (b) REPEAL THE TAX UNDER THIS SECTION BEGINNING ON THE FIRST DAY OF THE
24f CALENDAR QUARTER IMMEDIATELY FOLLOWING THE LAST DAY OF THE PROCESSING PERIOD. h
25 h [(5)] (6) h If at any time after the day on which a county imposes a tax under this section the
26 county does not acquire a conservation easement for agricultural h OR WATER SOURCE
26a PROTECTION h use for three consecutive years h , THE COUNTY SHALL h :
27 (a) h [the tax shall be repealed on the first day of January immediately following the
28 three-year period; and] NOTIFY THE COMMISSION OF ITS INTENT TO REPEAL THE TAX AT LEAST
28a 30 CALENDAR DAYS BEFORE THE DAY ON WHICH THE COUNTY REPEALS THE TAX; AND
28b (b) REPEAL THE TAX UNDER THIS SECTION BEGINNING ON THE FIRST DAY OF THE
28c CALENDAR QUARTER IMMEDIATELY FOLLOWING THE LAST DAY OF THE PROCESSING PERIOD;
28d AND h
29 h [(b)] (c) h the county shall include the revenues as property tax revenues for the next year for
30 purposes of calculating the county's certified tax rate under Section 59-2-924.
31 h [(6)] (7) h If, after including a distribution of revenues as property tax revenues under
Subsection

1 h [(5) (6) h , the property taxes distributed to the county exceed the amount of revenues levied by the
2 county for the year in which the revenues are distributed, for purposes of establishing the county's
3 certified tax rate in subsequent years, the county shall carry forward as property tax revenues the
4 excess revenues until the entire amount of remaining revenues have been carried forward as
5 property tax revenues.

6 Section 2. **Effective date.**

7 This act takes effect on July 1, 1998.

Legislative Review Note
as of 1-6-98 1:29 PM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel